

LAS VEGAS SANDS CORP
Form 10-Q
August 09, 2012
[Table of Contents](#)

UNITED STATES
SECURITIES & EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2012

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 001-32373

LAS VEGAS SANDS CORP.

(Exact name of registration as specified in its charter)

Edgar Filing: LAS VEGAS SANDS CORP - Form 10-Q

Nevada
(State or other jurisdiction of
incorporation or organization)

27-0099920
(I.R.S. Employer
Identification No.)

3355 Las Vegas Boulevard South

Las Vegas, Nevada
(Address of principal executive offices)

89109
(Zip Code)

(702) 414-1000
(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the Registrant's classes of common stock, as of the latest practicable date.

Class	Outstanding at July 30, 2012
Common Stock (\$0.001 par value)	822,922,659 shares

Table of Contents

LAS VEGAS SANDS CORP. AND SUBSIDIARIES

Table of Contents

PART I

FINANCIAL INFORMATION

Item 1.	<u>Financial Statements (unaudited)</u>	
	<u>Condensed Consolidated Balance Sheets at June 30, 2012 and December 31, 2011</u>	3
	<u>Condensed Consolidated Statements of Operations for the Three and Six Months Ended June 30, 2012 and 2011</u>	4
	<u>Condensed Consolidated Statements of Comprehensive Income for the Three and Six Months Ended June 30, 2012 and 2011</u>	5
	<u>Condensed Consolidated Statements of Equity for the Six Months Ended June 30, 2012 and 2011</u>	6
	<u>Condensed Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2012 and 2011</u>	7
	<u>Notes to Condensed Consolidated Financial Statements</u>	8
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	35
Item 3.	<u>Quantitative and Qualitative Disclosures about Market Risk</u>	54
Item 4.	<u>Controls and Procedures</u>	55

PART II

OTHER INFORMATION

Item 1.	<u>Legal Proceedings</u>	55
Item 1A.	<u>Risk Factors</u>	55
Item 6.	<u>Exhibits</u>	56
	<u>Signatures</u>	57

Table of Contents**PART I FINANCIAL INFORMATION****ITEM 1 FINANCIAL STATEMENTS****LAS VEGAS SANDS CORP. AND SUBSIDIARIES****CONDENSED CONSOLIDATED BALANCE SHEETS**

	June 30, 2012	December 31, 2011
	(In thousands, except share and per share data)	
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,522,000	\$ 3,902,718
Restricted cash and cash equivalents	5,151	4,828
Accounts receivable, net	1,561,776	1,336,817
Inventories	40,537	34,990
Deferred income taxes, net	14,075	72,192
Prepaid expenses and other	82,058	45,607
Total current assets	5,225,597	5,397,152
Property and equipment, net	15,299,920	15,030,979
Deferred financing costs, net	237,790	173,636
Restricted cash and cash equivalents	2,451	2,315
Deferred income taxes, net	28,378	153
Leasehold interests in land, net	1,419,072	1,390,468
Intangible assets, net	75,435	80,068
Other assets, net	128,163	169,352
Total assets	\$ 22,416,806	\$ 22,244,123
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 134,447	\$ 104,113
Construction payables	296,355	359,909
Accrued interest payable	7,416	31,668
Other accrued liabilities	1,550,990	1,439,110
Income taxes payable	162,525	108,060
Current maturities of long-term debt	97,737	455,846
Total current liabilities	2,249,470	2,498,706
Other long-term liabilities	117,658	89,445
Deferred income taxes	153,918	205,438
Deferred proceeds from sale of The Shoppes at The Palazzo	267,467	266,992
Deferred gain on sale of The Grand Canal Shoppes	45,612	47,344
Deferred rent from mall transactions	119,175	119,915
Long-term debt	9,276,476	9,577,131

Edgar Filing: LAS VEGAS SANDS CORP - Form 10-Q

Total liabilities	12,229,776	12,804,971
Commitments and contingencies (Note 9)		
Equity:		
Common stock, \$0.001 par value, 1,000,000,000 shares authorized, 822,918,059 and 733,249,698 shares issued and outstanding		
	823	733
Capital in excess of par value	6,191,672	5,610,160
Accumulated other comprehensive income	162,529	94,104
Retained earnings	2,473,724	2,145,692
Total Las Vegas Sands Corp. stockholders' equity	8,828,748	7,850,689
Noncontrolling interests	1,358,282	1,588,463
Total equity	10,187,030	9,439,152
Total liabilities and equity	\$ 22,416,806	\$ 22,244,123

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents**LAS VEGAS SANDS CORP. AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
	(In thousands, except share and per share data) (Unaudited)			
Revenues:				
Casino	\$ 2,067,424	\$ 1,862,272	\$ 4,333,917	\$ 3,526,761
Rooms	275,311	239,696	543,038	471,670
Food and beverage	159,744	146,016	313,199	291,409
Mall	93,740	73,879	165,158	129,744
Convention, retail and other	116,834	126,763	246,551	235,553
	2,713,053	2,448,626	5,601,863	4,655,137
Less-promotional allowances	(131,147)	(103,530)	(257,215)	(198,122)
Net revenues	2,581,906	2,345,096	5,344,648	4,457,015
Operating expenses:				
Casino	1,187,458	974,413	2,395,009	1,895,949
Rooms	60,513	50,733	113,299	99,186
Food and beverage	81,973	73,135	160,274	144,838
Mall	17,798	16,118	34,099	28,222
Convention, retail and other	78,403	88,906	157,927	164,047
Provision for doubtful accounts	58,374	23,496	110,592	58,554
General and administrative	259,038	223,561	477,755	434,046
Corporate	58,592	42,376	107,547	79,952
Pre-opening	43,472	18,178	94,931	27,649
Development	6,797	2,420	7,995	2,993
Depreciation and amortization	220,440	206,161	415,187	396,398
Amortization of leasehold interests in land	10,057	10,034	20,002	23,190
Impairment loss	100,781		143,674	
Loss on disposal of assets	482	7,443	1,075	7,942
	2,184,178	1,736,974	4,239,366	3,362,966
Operating income	397,728	608,122	1,105,282	1,094,049
Other income (expense):				
Interest income	6,892	4,028	12,540	6,075
Interest expense, net of amounts capitalized	(64,533)	(70,592)	(129,205)	(144,177)
Other income (expense)	1,782	1,908	(1,637)	(2,767)
Loss on modification or early retirement of debt	(16,403)		(19,234)	
Income before income taxes	325,466	543,466	967,746	953,180
Income tax expense	(39,085)	(54,374)	(102,256)	(99,585)
Net income	286,381	489,092	865,490	853,595
Net income attributable to noncontrolling interests	(45,794)	(78,455)	(125,961)	(153,635)